METROPOLITAN AREA DATA

MEDIAN SALES PRICE OF EXISTING SINGLE-FAMILY HOMES FOR METROPOLITAN AREAS*
(Not Seasonally Adjusted in Thousands of Dollars)

Metropolitan Area	Years			Quarters				
	1985	1986	1987	1987r				1988p
				I	II	III	IV	I
Akron	$ 52.7	$ 56.2	$ 57.1	$ 54.7	$ 56.9	$ 57.8	$ 58.1	$57.1
Albany/Schenectady/Troy	60.3	72.7	86.4	80.1	86.5	88.6	90.3	82.8
Albuquerque	76.8	81.6	82.6	83.1	82.5	84.4	79.8	79.7
Orange County(Anaheim/Santa Ana MSA)**	136.2	147.7	166.9	156.1	167.3	167.7	174.5	183.8
Baltimore	72.6	74.0	81.1	81.0	76.8	81.9	84.3	83.6
Baton Rouge	74.6	70.9	67.8	68.3	68.1	69.2	65.5	65.7
Birmingham	64.5	68.3	71.6	67.5	72.7	71.6	73.9	73.1
Boston	134.2	159.2	177.2	170.0	176.2	182.2	177.5	176.9
Buffalo/Niagara Falls	46.7	52.4	56.7	55.6	56.8	56.6	59.2	64.1
Charleston	64.8	n/a	72.7	71.9	72.1	74.6	73.2	72.6
Chattanooga	52.3	55.3	59.0	57.5	58.9	58.8	60.3	61.2
Chicago	81.1	86.1	90.8	85.7	90.9	91.2	91.5	92.8
Cincinnati	60.2	n/a	66.1	63.8	65.9	66.9	69.1	67.0
Cleveland	64.4	66.9	68.1	62.9	68.8	68.5	67.6	65.3
Columbus	62.2	65.5	68.7	66.9	67.2	72.7	69.3	66.2
Dallas/Ft. Worth	87.7	92.8	89.2	91.2	90.0	89.3	85.8	85.9
Denver	84.3	86.4	88.9	89.9	88.2	91.0	86.5	83.7
Des Moines	52.5	55.9	55.6	55.9	56.8	56.2	52.1	54.5
Detroit	51.7	58.1	65.6	64.3	66.2	65.9	66.3	71.5
El Paso	57.6	59.0	59.2	58.0	58.0	62.6	58.6	57.8
Ft.Lauderdale/Hollywood/PompanoBeach	74.6	77.7	79.6	76.6	79.7	80.8	80.6	78.6
Grand Rapids	46.7	50.4	53.5	51.7	53.4	54.0	55.7	55.4
Hartford	99.6	129.0	157.4	136.6	157.0	165.4	163.9	166.4
Honolulu	162.1	172.0	186.0	174.0	182.9	190.6	193.3	198.4
Houston	78.6	69.9	65.9	64.7	67.4	67.3	62.8	60.2
Indianapolis	55.0	59.0	62.5	61.6	63.8	62.8	60.7	61.8
Jacksonville	58.4	62.8	65.1	62.7	65.8	66.3	65.2	68.9
Kansas City	61.4	65.4	69.8	72.9	71.1	69.2	68.5	70.9
Knoxville	58.2	60.3	65.4	63.2	66.2	66.1	65.6	66.3
Lansing	50.3	52.4	54.5	53.2	56.0	56.3	53.6	53.4
Las Vegas	75.1	77.5	77.0	76.1	77.9	76.7	76.7	75.7
Los Angeles Area**	n/a	128.8	139.5	130.1	139.6	145.4	145.2	159.9
Louisville	50.6	51.7	51.7	52.1	53.4	53.3	51.5	51.1
Memphis	64.6	70.6	75.0	70.6	76.9	75.2	76.3	77.5
Miami/Hialeah	80.5	81.1	81.1	74.7	84.4	83.5	80.4	78.0
Milwaukee	67.5	69.9	70.5	67.8	71.7	70.9	70.8	72.6
Minneapolis/St Paul	75.2	77.9	80.5	80.4	80.2	80.9	80.6	84.4
Nashville/Davidson	66.1	70.8	75.5	73.4	75.6	75.7	77.2	77.6
New Orleans	n/a	n/a	n/a	n/a	n/a	n/a	74.1	73.0
New York/Northern New Jersey/Long Island	134.0	160.6	183.5	169.4	183.0	190.3	185.1	186.6
Oklahoma City	64.7	63.0	62.3	62.4	65.2	61.4	59.5	56.5
Omaha	58.3	58.8	59.0	57.8	60.0	59.7	57.5	58.3
Orlando	70.3	72.5	76.2	73.6	76.4	72.9	78.7	81.4
Philadelphia	70.8	74.5	81.5	79.8	84.6	84.5	76.9	73.9
Phoenix	74.7	78.4	80.9	78.4	81.4	82.7	80.4	79.0
Pittsburgh	n/a	n/a	n/a	n/a	n/a	n/a	n/a	60.9
Portland	61.5	62.6	64.2	62.7	64.3	64.0	66.3	62.8
Providence	67.5	87.6	121.4	102.8	119.7	126.6	127.6	123.3
Riverside/San Bernadino**	87.3	94.5	98.7	91.9	98.3	100.7	101.2	95.5
Rochester	64.2	68.3	72.5	69.5	72.3	74.1	72.8	73.2
St. Louis	65.7	70.9	74.3	71.9	74.7	75.7	73.3	74.1
Salt Lake City/Ogden	66.7	68.5	69.4	68.1	69.5	71.1	67.9	65.3
San Antonio	67.7	69.2	70.2	67.6	72.6	72.1	67.6	63.4
San Diego**	106.4	118.2	128.8	121.1	127.1	131.7	131.8	134.4
San Francisco Bay Area**	n/a	n/a	171.4	161.3	169.9	175.9	176.0	178.8
Seattle/Tacoma	n/a	n/a	82.6	79.0	84.2	82.6	84.2	85.1
Syracuse	58.8	64.3	68.9	65.2	68.1	71.3	70.0	68.1
Tampa/St.Petersburg/Clearwater	58.4	61.1	63.8	59.8	64.9	65.0	63.4	60.2
Toledo	51.9	56.0	56.3	53.4	58.2	56.9	54.7	56.5
Tulsa	66.7	65.5	65.7	64.1	67.4	66.7	63.1	63.5
Washington, DC	97.1	101.6	114.2	106.2	115.0	117.7	121.5	132.4
West Palm Beach/Boca Raton/Delray Beach	88.3	92.6	102.6	96.9	108.8	99.1	102.4	94.5

n/a Not Available p Preliminary r Revised

* All areas are metropolitan statistical areas (MSA) as defined by the US Office of Management and Budget. They include the named central city and surrounding areas. **Provided by the California Association of REALTORS®.

NEW HOME MARKET

NEW PRIVATELY OWNED HOUSING UNITS STARTED
(Thousands of Units)

Year		Total	In structures with – – 1 unit	2 to 4 units	5 units or more	Regions Northeast	Midwest	South	West
1982		1,062	663	80	320	117	149	591	205
1983		1,703	1,068	114	522	168	218	935	382
1984		1,750	1,084	121	544	204	243	866	436
1985		1,742	1,072	93	576	252	240	782	468
1986		1,805	1,179	84	542	294	296	733	483
1987		1,621	1,146	66	409	269	298	634	420
			Seasonally Adjusted Annual Rates						
1987	Mar	1,723	1,206	85	432	292	348	615	468
	Apr	1,635	1,201	66	368	270	300	664	401
	May	1,599	1,125	65	409	296	302	624	377
	Jun	1,583	1,086	85	412	254	285	608	436
	Jul	1,594	1,142	59	393	278	253	635	428
	Aug	1,583	1,109	58	416	249	274	639	421
	Sep	1,679	1,211	49	419	255	309	695	420
	Oct	1,538	1,105	67	366	254	251	622	411
	Nov	1,661	1,129	51	481	269	313	648	431
	Dec	1,399	1,035	51	313	222	281	576	320
1988	Jan[r]	1,382	1,016	53	313	306	226	463	387
	Feb[r]	1,514	1,106	57	351	311	259	585	359
	Mar[p]	1,543	1,185	59	299	300	266	551	426

r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW ONE-FAMILY HOUSES SOLD
(Thousands of houses sold during period)

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
1982		412	47	48	219	99					
1983		623	76	71	323	152					
1984		639	94	76	309	160					
1985		688	112	82	323	170					
1986		750	136	90	321	190					
1987[r]		671	117	98	272	186					
		Seasonally Adjusted Annual Rates					Not Seasonally Adjusted				
1987	Mar	720	124	106	290	200	73	11	11	30	21
	Apr	733	116	115	301	201	72	10	12	29	20
	May	649	110	86	271	183	62	11	9	25	17
	Jun	641	97	97	268	179	58	9	9	24	15
	Jul	671	117	93	269	191	55	10	8	22	15
	Aug	675	114	88	276	198	56	9	8	22	16
	Sep	644	116	76	271	181	52	10	6	22	13
	Oct	659	118	101	243	197	52	10	8	18	16
	Nov	625	154	89	206	176	43	12	6	14	12
	Dec[r]	586	78	99	240	168	37	5	6	16	11
1988	Jan[r]	522	90	92	196	175	41	6	5	15	14
	Feb[p]	630	120	106	251	161	54	8	8	23	15
	Mar[p]	655	98	86	272	199	69	9	9	29	22

Components may not agree with totals due to rounding.
r Revised p Preliminary
Source: Census Bureau, U.S. Department of Commerce.

NEW HOUSES SOLD BY SALES PRICE CLASS
MONTHS OF MARCH
(Percentage Distribution)

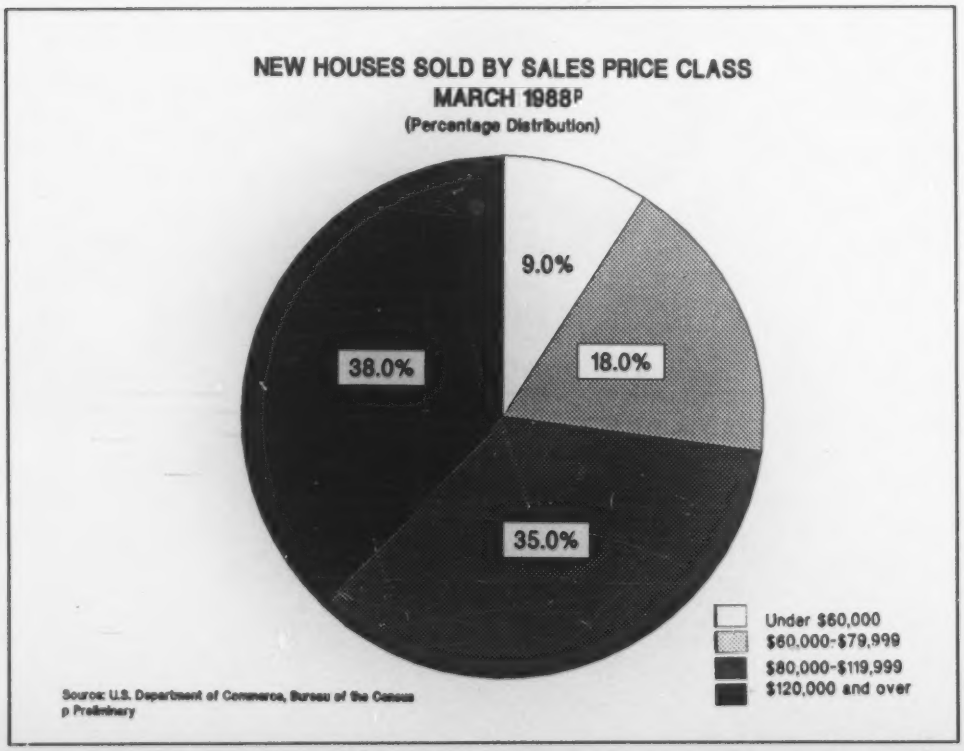
Price Class	Mar 1984	Mar 1985	Mar 1986	Mar 1987[r]	Mar 1988[p]
Under $60,000	20	15	14	9	9
$60,000 to $79,000	32	30	26	18	18
$80,000 to $99,999	19	23	22	24	22
$100,000 to $119,999	8	9	10	14	13
$120,000 to $149,999	9	10	10	14	12
$150,000 and over	12	13	18	21	26
Median Sales Price	$78,400	$84,200	$88,700	$98,400	$101,100

Source: Census Bureau, U.S. Department of Commerce.

NEW HOUSES SOLD BY SALES PRICE CLASS
FIRST QUARTER 1987[p]
(Percentage Distribution)

Price Class	United States	Northeast	Midwest	South	West
Under $60,000	6	*	10	12	*
$60,000 to $79,999	23	8	19	27	25
$80,000 to $119,999	32	33	33	31	32
$120,000 and over	39	58	38	30	43
Median Sales Price	$109,000	$142,000	$106,000	$90,000	$124,800

* Insufficient Sample Size
p Preliminary
Source: Census Bureau, U.S. Department of Commerce.



NATIONAL ASSOCIATION OF REALTORS®
Economics & Research Division
777 14th Street, N.W.
Washington, D.C. 20005

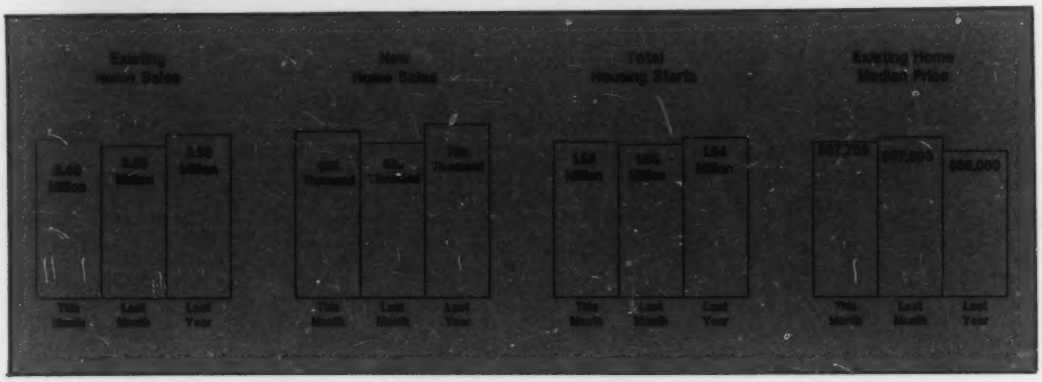
6/29/88 A7000-2

Vol. 2, No. 5 May 1988

Home Sales

Existing and New Single-Family, Apartment Condos and Co-ops

HOME SALES SUMMARY



HIGHLIGHTS

- The combination of a strong economy and increasing interest rates sparked a further increase in existing single-family home sales. Volume increased 4.5 percent to an annual rate of 3,480,000 units.
- The total inventory of unsold houses decreased 2.9 percent to 3,100,000 units. The months' supply of existing and new homes was reduced to 9.4 months and 6.6 months, respectively.
- New privately owned housing starts inched upwards for the third straight month to a 1,561,000 unit annualized rate. Multifamily construction was particularly strong.
- Home prices remain on a plateau. The median price of an existing single-family home slipped marginally lower to $87,700 while the new home median price retreated 5.6 percent to $110,500.
- Increasing mortgage interest rates pushed the April Housing Affordability Index slightly lower. At 113.9 the index is still well within an affordable range.

REALTOR®
ECONOMICS AND RESEARCH DIVISION
NATIONAL ASSOCIATION OF REALTORS®
777 14th Street, NW, Washington, D.C. 20005

Copyright 1988 NATIONAL ASSOCIATION OF REALTORS®

SURVEY DESCRIPTION

Publication

1. "Home Sales" is a monthly publication of the NATIONAL ASSOCIATION OF REALTORS®.

Coverage

2. Each month the REALTORS® Economics and Research Division receives data on existing single-family home sales from over 400 Boards of REALTORS® and multiple listing systems. In 1985 data on over 1,590,000 existing single-family homes were received and processed.

3. Participating Boards are situated in every region of the country and provide wide geographic coverage of the existing home market. While almost all are located in, or adjacent to, standard metropolitan statistical areas, comparisons of their sales reports with data from the Annual Housing Survey show that, as a group, their experience is representative of the sales activity and prices that generally prevail in each region of the country.

Regions

4. Statistics on sales volume and price are published for the U.S. and for the four standard Census regions of the country. States contained in each region are as follows:

NORTHEAST
Connecticut
Maine
Massachusetts
New Hampshire
New Jersey
New York
Pennsylvania
Rhode Island
Vermont

MIDWEST
Illinois
Indiana
Iowa
Kansas
Michigan
Minnesota
Missouri
Nebraska
North Dakota
Ohio
South Dakota
Wisconsin

SOUTH
Alabama
Arkansas
Delaware
Dist. of Columbia
Florida
Georgia
Kentucky
Louisiana
Maryland
Mississippi
North Carolina
Oklahoma
South Carolina
Tennessee
Texas
Virginia
W. Virginia

WEST
Alaska
Arizona
California
Colorado
Hawaii
Idaho
Montana
Nevada
New Mexico
Oregon
Utah
Washington
Wyoming

5. Regional weights have been developed to represent the estimated importance of each region in the national existing home market. These weights are based on the regional distribution of owner-occupied single-family dwelling units and homeowner mobility. Weights are periodically revised to reflect shifts in regional demand. The most recent revision occurred in 1982 to reflect changes reported in the 1980 Census of Housing. Weights assigned each region are:

Northeast	14	South	35
Midwest	28	West	23

Sales Volume

6. Estimated total sales volume of single-family homes and condominiums and cooperatives for each region is computed by using a constant factor to blow up the reported sales of participating multiple listing systems. Regional factors were developed by analyzing the relationship between reported Board sales and measures of total market activity derived from special computer runs from the Annual Housing Survey tapes and from the 1980 Census of Housing.

7. Regional sales are then aggregated to yield national sales volume. Because of the method of computation, regional figures will not always total to the U.S. statistic. Such differences are due entirely to rounding.

8. Quarterly estimates for total existing home sales by state are developed subsequent to the national and regional single-family and apartment condominium/co-op statistics. A constant "blow-up" factor is used. These factors were developed by comparing sales reported by participating Boards to market activity benchmarks from the 1980 Census of Housing. State estimates are then adjusted to conform with regional totals.

9. In the main, a transaction is reported when the sales contract is signed, but a number of Boards report "closings." To the extent "closings" are contained in this series, they introduce a "distributive lag" effect which tends to smooth out month-to-month fluctuations in reported volume.

Sales Price

10. Median and average (mean) sales prices are computed for the U.S. and each region of the country and median sales prices are computed for selected metropolitan areas. Because of the nature of the distribution of home sales prices, the average (mean) sales price is higher than the median price.

11. Movements in sales prices should not be interpreted as measuring changes in the cost of a *standard home*. Prices are influenced by changes in cost *and* changes in the characteristics and size of homes actually sold.

12. There is a modest degree of seasonal variation in reported selling prices. Sales prices tend to reach a seasonal peak in July, and then decline moderately over the next three months before experiencing a seasonal upturn. However, sales prices are *not seasonally adjusted*.

Seasonal Adjustment

13. Volume statistics are seasonally adjusted using the X-11 Variant of the Census Method II Seasonal Adjustment Program of the Bureau of the Census. The procedure includes adjusting for trading-day variation—the number of Mondays, Tuesdays, etc., in a particular month. This type of fluctuation in the data was found to be significant.

14. Sales in each region are first seasonally adjusted and then aggregated to yield the U.S. statistic.

15. Seasonal indices are based on monthly single-family home sales activity dating from July 1966. Seasonal patterns for apartment condominium cooperative sales and state home sales are based on a quarterly data beginning in 1975. New seasonal adjusters are constructed at the conclusion of each year. Data for the three preceding years are revised using these new seasonal factors.

EQUAL HOUSING OPPORTUNITY

THE NATIONAL ASSOCIATION OF REALTORS® is pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the nation. The Association encourages and supports an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, or national origin.

SUBSCRIPTION INFORMATION

Home Sales is published monthly by the NATIONAL ASSOCIATION OF REALTORS®. Annual subscription price is $44.00 for NAR members, $60.00 for non-members.

Copyright © 1988 by the NATIONAL ASSOCIATION OF REALTORS®

All rights reserved. The NATIONAL ASSOCIATION OF REALTORS® will grant permission to use or reprint material from "Home Sales" under appropriate circumstances.

All Correspondence should be addressed to Economics and Research Division, NATIONAL ASSOCIATION OF REALTORS®, 777 14th St., N.W., Washington, D.C. 20005 (202) 383-1276

Nestor R. Weigand Jr., *President*
John A. Tuccillo, *Chief Economist and Senior Vice President*
Glenn E. Crellin, *Division Vice President*
Halvor M. Juul, *Director*

IS ANYBODY HOME?

Home Sales focuses on homes in transition, whether from the builder to the first owner or more frequently from owner to owner. During this process there will be times when the homes are technically vacant. Yet when most of us think of vacant homes our minds assume vacant and abandoned, homes fallen into disrepair and waiting to be bulldozed out of existence.

The real question is, how much vacancy is there and how much is required to insure smooth operation of real estate markets? After all, the new owners cannot move into a home until the previous owners have moved out. Once again, the U.S. Bureau of the Census is the primary collector of statistics on housing vacancies, dealing separately with homeowner properties and rental units.

Homeowner vacancy rates are traditionally very low and quite stable. For most of the period between 1965 and 1982 the vacancy rate remained below 1.5 percent, and usually below 1.3 percent. In recent years, however, the rate has increased measurably, reaching a high of 1.9 percent in 1985. For most of last year 1.7 percent of the nation's homeowner units were vacant. While this level is somewhat above the frictional level seen during the last twenty years, the high level of vacancies seen since the real estate depression may be establishing a new equilibrium with some units in areas experiencing long-term economic problems approaching permanent vacancy.

The rental component of the market is showing the effects of the strong apartment construction market several years prior to 1986 combined with active first-time homebuyer activity. This has put upward pressure on the rental vacancy rate. In fact, the vacancy rates for apartment units in 1987 were at their highest level in over twenty years when it rose to over 8.0 percent. By the end of the year the rate had declined slightly to 7.8 percent, the highest year-end rate since 1965.

While these facts are interesting to me as an economist, the real significance of the vacancy information lies in how it impacts the operations of the real estate market. A high level of apartment vacancies implies there will be a low level of apartment construction in the next few years, meaning there will be fewer construction jobs in the community. Moreover, it means there will be price and non-price competition for renters. The owners and managers of the apartments, aiming to keep as large a proportion of their units occupied as possible will offer inducements such as free months rent or appliances with the signing of a lease. In addition, they will be less likely to implement significant increases in rents to their existing tenants, on the assumption that those tenants will be less likely to move either to a new apartment or to purchase their own home because they have a good rental deal. This situation is beneficial to the prospective homebuyer as well. Research has clearly demonstrated that the largest single obstacle most households face in purchasing their own home is the accumulation of the downpayment. Pressure to keep rents low will enable more families to increase their progress toward their goal of putting away a little each month and eventually have a nest egg which can be used to purchase a home.

The significance of increases in homeowner vacancy rates is less clear-cut. To some degree the increase should indicate that the inventory of homes available for sale has been increasing. However, looking back over the last several years there does not seem to be a significant increase in the inventory of homes on the market. If that were the case there would be pressure on home prices not to increase. While that pressure has been real in some communities over the last two years, as indicated elsewhere in this report, home prices have continued to rise more rapidly than inflation in most parts of the country, even though the aggregate statistic right now indicates an appreciation rate much lower than the current inflation rate.

One final thought must be addressed. What about using some of these vacant units as part of the solution to the problem of the homeless. Unfortunately there is often a mismatch between where the homeless and the units are. Many of the vacant homes, especially in ownership areas are in small, basically rural communities, but the problem of the homeless is most obviously an urban problem. Moreover, we must not forget that some of these vacant units are not-only vacant, but they do fit the stereotype presented earlier--vacant, dilapidated, and uninhabitable. Clearly not only is nobody home, but nobody should be.

Glenn E. Crellin
Division Vice President

THE APRIL HOUSING MARKET

Continued strength in the economy and the beginning of a rise in mortgage interest rates spurred an increase in home buying activity for the third straight month. Existing single-family home sales increased 4.5 percent to a seasonally adjusted annual rate of 3,480,000 units, but still remained 3.1 percent below the level of a year ago. Similarly, new home sales were up 4.0 percent to an annual rate of 653,000 units but are 12.3 percent below April last year.

Three of the four regions reported increases in resale volume when compared to March. The Northeast posted the strongest increase, up 6.2 percent to an annualized rate of 690,000 units. The South followed with a 5.7 percent increase to 1,300,000 units. Volume in the Midwest rose a modest 2.3 percent to a 900,000 unit pace while in the West it decreased 1.8 percent to 560,000 units.

While new homes sales advanced in all four regions compared to a month ago volume was still below the level of a year ago. Activity was up the most in the Midwest and West with gains of 5.9 percent to 90,000 units and 5.5 percent to 192,000 transactions, respectively. Lesser gains of about 3 percent were registered by the Northeast and South at 109,000 units and 288,000 units, respectively.

Inventory Available For Sale

The current increase in sales activity has been accompanied by a reduction in the nationwide inventory of homes available for sale with the total supply of existing and new homes on the market slipping 2.9 percent to 3,100,000 units. This is happening at a time when REALTORS® in the Northeast are reporting rapid accumulation of listings.

The fewer homes available for sale translates into a smaller months' supply of houses on the market. After the supply of existing homes reached a 12 month high of 10.2 months in March it decrease to 9.4 months in April. The supply of new homes on the market dipped from 7.0 to 6.6 months, near the middle of the range of the past 12 months.

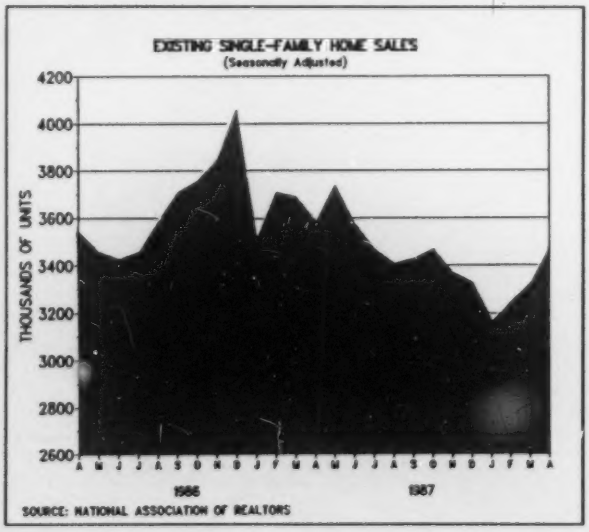
Housing Construction

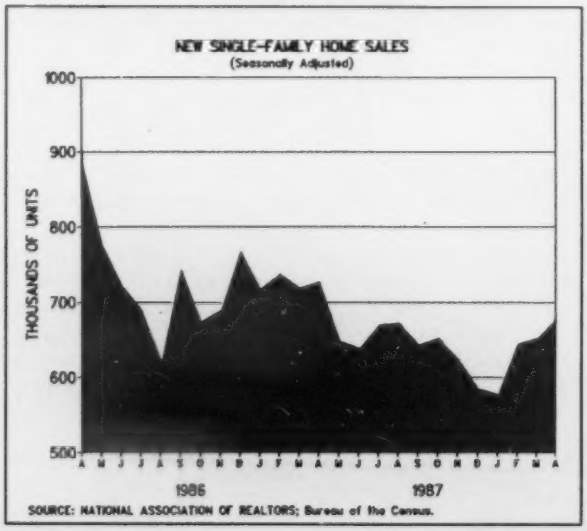
Apparently builders have been impressed by the sustained demand for housing. After a brief dip in December and January, new privately owned housing starts figures paralleled the three consecutive monthly upticks in existing and new home sales.

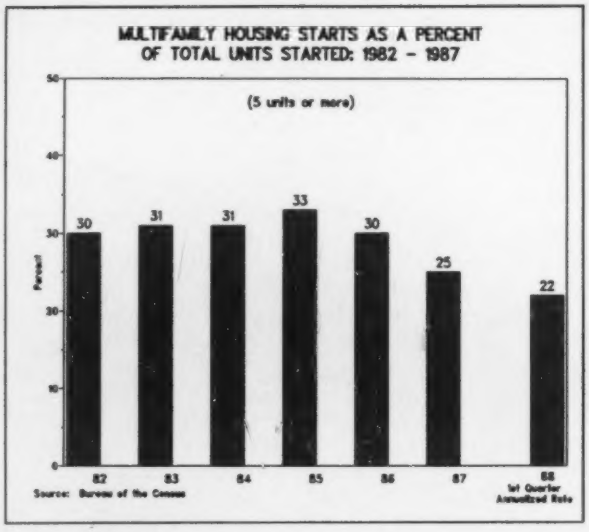
While April housing starts only posted a marginal increase to a 1,561,000 annualized rate this was equal to the average of the previous twelve months and well above the sharp December - January break that took starts below the 1,400,000 level.

While the overall statistic is a positive sign, a closer look reveals that the real strength in April starts can be attributed to a 28.7 percent spurt for structures with five units or more to a 408,000 annual rate. This was well above the prior twelve month average rate of 380,000 units but still well below the rates of activity posted two years ago.

Nevertheless, there is evidence of further disenchantment with multi-family housing as a desirable real estate investment. From 1982 through 1986 construction of structures with five units or more was 30 to 33 percent of total new privately owned housing starts. In 1987, and now, in the first quarter of 1988, there has been a further drop to where multifamily starts are only 22 percent of the total. This shift should not be blamed entirely on the Tax Reform Act, it is also a reflection of the recent increases in the vacancy rates for apartment units, which are now at their highest level in 20 years years.



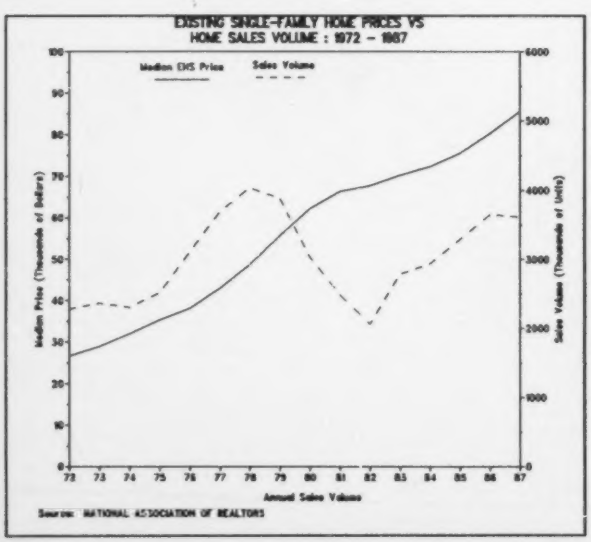




Home Sales Prices

Home prices retreated in April. The median price of an existing single-family home slipped $200 to $87,700. While prices seem to have lost some of their impetus they are still within seven tenths of a percentage point of the all-time high of $88,300 reached in July of last year. When viewed on a regional basis, the Northeast led the way with a relatively strong 5.3 percent year-to-year gain to $145,100, a shade under its all-time high of $145,800 reached last July. The Midwest also posted a moderate year-to-year gain of 4.5 percent to $67,500. The South and West reported price decreases of 1.4 percent to $82,100 and 4.6 percent to $113,700, respectively.

New home prices have moved within a broad range of $110,000 to $119,000 within the past six months. In April the median price of a new home dropped $6,500 from the prior month to $110,500, close to the low end of the range. Even with these wide swings the new home price is 14.5 percent above a year ago.



The softening of prices does not indicate the beginning of a downtrend in home prices, however – especially in view of the current strength in the economy and home sales volume. Furthermore, even if sales volume decreased significantly, prices have been very sticky historically. Witness the period 1978 to 1982 when mortgage interest rates increased to beyond 18 percent and drove sales volume down 50 percent. What happened to prices? They increased every year regardless! In fact, in an absolute sense the median price of an existing single-family home increased 2.1 percent in 1982 – the bottom of the market, although some of the price increase was attributable to embedded financing costs at the time and prices went up less rapidly than the overall cost of living. This is not to say that a financial panic and/or liquidity crisis could not make it a whole new ball game, but at this juncture it seems highly unlikely.

Resale Housing Affordability

A 15 basis point increase in mortgage interest rates more than offset a small decrease in the median price of an existing single-family home and an increase in median family income, pushing the Housing Affordability Index downward to 113.9 – still near the top of its range of the prior 12 months.

At its present level, the index indicates that a family earning the median family income of $31,668 had 13.9 percent more income than the minimum required to qualify for a conventional loan covering 80 percent of the median existing home price of $87,700.

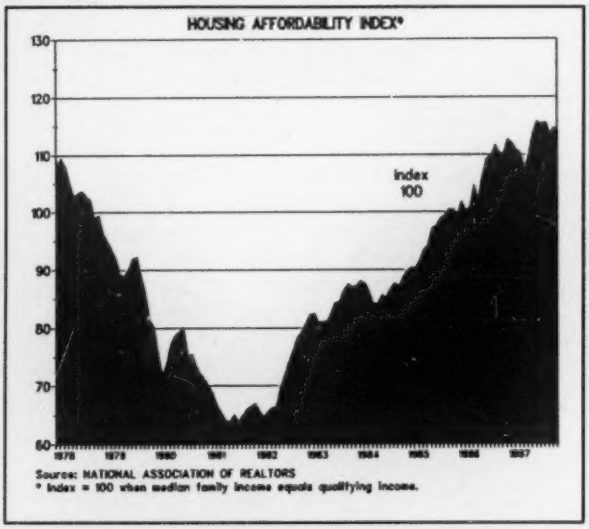
While the composite affordability index decreased, the component fixed rate and adjustable rate indexes moved in opposite directions. In fact, the ARM affordability index is now higher than it has been in the past 12 months posing as an attractive alternative to the fixed-rate mortgage with an 18.2 point spread advantage.

Condominium/Cooperative Resales

The apartment condominium/cooperative market opened the year on a strong note. First quarter 1988 apartment condominium/cooperative resales registered a sharp increase both from the previous quarter and for the same quarter of a year ago. During the first quarter, resale activity of condo and coop units was at a seasonally adjusted annual rate of 400,000 units, 17.6 percent above the previous quarter and 16.3 percent higher than the first quarter of 1987.

All but one region reported quarter-to-quarter gains in condo/co-op sales. The strongest performance was in the Northeast which posted a 24.3 percent jumped to a seasonally adjusted annual rate of 210,000 units. The next highest gain was in the West where sales climbed 21.2 percent to a 40,000 unit rate. Sales in the Midwest were up a more moderate 5.3 percent to a 60,000 unit pace. The South, however, fell behind, reporting a sales decrease of 1.2 percent to 80,000 transactions.

Apartment condo and co-op prices advanced moderately from the previous quarter and sharply from



a year ago with the median price reaching $81,200. This was 3.7 percent above the fourth quarter of 1987 and a substantial 13.4 percent above the first quarter of last year. Three of the four regions posted increases with prices being strongest in the South where they jumped 6.3 percent to $65,400. The Northeast and West followed with hefty year-to-year increases of 27.8 percent to $109,400 and 17.1 percent to $104,200, respectively. By contrast, prices in the Midwest slipped 2.7 percent to $57,700, the lowest point in the past year.

State Home Resales

When viewed on a quarterly basis, the total existing home sales market appears to have softened for the third straight quarter. Nationwide total home sales including condominiums and co-operatives decreased from the previous quarter and a year ago. While volume decreased a modest 2.1 percent to an annual rate of 3,650,000 units from last quarter, it was a sharp 8.3 percent below the first quarter of 1987.

Regional performances varied. Sales volume in the Northeast and West was up about one percent from last quarter to rates of 850,000 units and 960,000 units, respectively. These gains were more than offset by decreases in the South and West of 6.7 percent to 1,250,000 units and 4.9 percent to 580,000 units, respectively.

A look at the regional character of sales activity points to a surge in volume in the Midwest during the first quarter. Ten of the 22 states reporting increases were in the Midwest and eight of these had gains of 10 percent or more. This is particularly impressive considering the entire Midwest region is composed of 12 states.

Metropolitan Home Prices

Home prices increased in nearly a third of the metropolitan areas during the first quarter of 1988 when compared to the first quarter of 1987.

While price appreciation may have moderated in some areas, 45 of the 60 metropolitan areas in our survey reported increases. In fact, there were still 12 areas in which prices were up ten percent or more from the same quarter a year ago. The West was conspicuous among the top gainers with six of its mets among the 12 that were up 10 percent or more.

STATE HOME RESALES
(Change from 1st Quarter 1987)

Down 10% or More		Down 0.1 - 9.9%		Up 0.1 - 9.9%	Up 10% or More	
Alabama	New Hampshire	Alaska	New Mexico	Connecticut	Distict of Columbia	South Dakota
Arizona	South Carolina	California	Oklahoma	Georgia	Indiana	Vermont
Arkansas	Texas	Colorado	Oregon	Hawaii	Iowa	Washington
Florida	Wyoming	Delaware	Pennslyvania	Minnesota	Kansas	West Virginia
Kentucky		Idaho	Rhode Island	New York	Michigan	
Louisiana		Illinois	Tennessee	North Carolina	Missouri	
Maine		Massachusetts	Wisconsin	Ohio	Nebraska	
Maryland		Mississippi		Utah	New Jersey	
Montana		Nevada		Virginia	North Dakota	

METROPOLITAN HOME SALES PRICE
(Change from 4th Quarter 1987)

Down 10% or More		Up 0.1 - 4.9%		Up 5.0 - 9.9%	Up 10% or More
Albuquerque	Tulsa	Akron	Philadelphia	Albany/Schenectady/Troy	Orange County(Anaheim/ Santa Ana MSA)
Baton Rouge	West Palm Beach/ Boca Raton/Delray Beach	Baltimore	Phoenix	Birmingham	Buffalo/Niagara Falls
Columbus		Boston	Portland	Chattanooga	Detroit
Dallas/Ft.Worth		Charleston, SC	Riverside/San Bernadino	Chicago	Hartford
Denver		Cincinnati	St. Louis	Cleveland	Honolulu
Des Moines		Ft.Lauderdale/ Hollywood/ Pompano	Syracuse	Grand Rapids	Los Angeles Area
El Paso		Indianapolis	Tampa/St. Petersburg/ Clearwater	Jacksonville	New York/Northern New Jersey/Long Island
Houston		Knoxville		Memphis	Providence
Kansas City		Lansing		Milwaukee	San Diego
Las Vegas		Louisville		Minneapolis/St.Paul	San Francisco Bay Area
Oklahoma City		Miami/Hialeah		Nashville/Davidson	Seattle/Tacoma
Salt Lake City/ Ogden		Omaha		Orlando	Washington, DC
San Antonio				Rochester	
				Toledo	

UNITED STATES SUMMARY

		Single-Family Home Sale (Seasonally Adjusted Annual Rates)		Number of Homes Available for Sale (End of Period)		Months' Supply of Homes on the Market		Median Sales Price of Single-Family Homes	
Year		Existing	New	Existing	New	Existing	New	Existing	New
1982		1,990,000	412,000	1,910,000	255,000	*	*	$67,800	$ 69,300
1983		2,719,000	623,000	1,980,000	304,000	*	*	70,300	75,300
1984		2,868,000	639,000	2,260,000	358,000	*	*	72,400	79,900
1985		3,214,000	688,000	2,200,000	350,000	*	*	75,500	84,300
1986		3,565,000	750,000	1,970,000	361,000	*	*	80,300	92,000
1987		3,526,000	671,000	2,160,000	370,000	*	*	85,600	104,000
1987	Apr	3,590,000	728,000	2,620,000	359,000	8.8	5.8	$86,000	$ 96,5003
	May	3,740,000	649,000	2,520,000	356,000	8.1	6.8	86,000	104,900
	Jun	3,580,000	640,000	2,390,000	359,000	8.0	6.9	85,900	109,000
	Jul	3,470,000	572,000	2,330,000	359,000	8.1	6.6	88,300	105,000
	Aug	3,410,000	673,000	2,400,000	361,000	8.4	6.6	86,500	106,800
	Sep	3,430,000	644,000	2,370,000	361,000	8.3	6.9	85,500	106,500
	Oct	3,470,000	653,000	2,570,000	360,000	8.9	6.6	84,600	106,500
	Nov	3,370,000	625,000	2,490,000	362,000	8.9	7.1	85,000	117,000
	Dec	3,330,000	586,000	2,160,000	365,000	7.8	7.6	85,400	111,800
1988	Jan[r]	3,170,000	579,000	2,280,000	368,000	8.6	7.7	$87,400	$119,000
	Feb[r]	3,250,000	645,000	2,640,000	360,000	9.8	6.9	88,100	110,000
	Mar[r]	3,330,000	653,000	2,820,000	374,000	10.2	7.0	87,900	117,000
	Apr[p]	3,480,000	679,000	2,730,000	370,000	9.4	6.6	87,700	110,500

r Revised p Preliminary n/a not available * not applicable
Source: New home sales data from Census Bureau, U.S. Department of Commerce.

UNIT VOLUME

EXISTING SINGLE-FAMILY HOME SALES

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
1982		1,990,000	354,000	490,000	780,000	366,000					
1983		2,719,000	493,000	709,000	1,035,000	481,000					
1984		2,868,000	511,000	755,000	1,073,000	529,000					
1985		3,214,000	622,000	866,000	1,172,000	554,000					
1986		3,565,000	703,000	991,000	1,261,000	610,000					
1987		3,526,000	685,000	959,000	1,282,000	600,000					
		Seasonally Adjusted Annual Rates					Not Seasonally Adjusted				
1987	Apr	3,590,000	680,000	1,030,000	1,280,000	610,000	331,000	59,000	103,000	118,000	51,000
	May	3,740,000	730,000	1,000,000	1,380,000	630,000	346,000	67,000	95,000	126,000	57,000
	Jun	3,580,000	700,000	930,000	1,300,000	650,000	361,000	72,000	97,000	123,000	69,000
	Jul	3,470,000	690,000	900,000	1,250,000	630,000	333,000	69,000	88,000	119,000	56,000
	Aug	3,410,000	670,000	860,000	1,290,000	590,000	317,000	68,000	81,000	113,000	54,000
	Sep	3,430,000	670,000	890,000	1,290,000	580,000	296,000	63,000	75,000	105,000	53,000
	Oct	3,470,000	660,000	910,000	1,280,000	600,000	301,000	65,000	73,000	108,000	54,000
	Nov	3,370,000	640,000	890,000	1,260,000	560,000	241,000	43,000	55,000	102,000	40,000
	Dec	3,330,000	640,000	880,000	1,240,000	570,000	220,000	39,000	56,000	86,000	40,000
1988	Jan	3,170,000	610,000	920,000	1,090,000	530,000	191,000	37,000	48,000	73,000	31,000
	Feb	3,250,000	660,000	890,000	1,190,000	520,000	220,000	40,000	66,000	81,000	34,000
	Mar[r]	3,330,000	650,000	880,000	1,230,000	570,000	303,000	53,000	86,000	111,000	52,000
	Apr[p]	3,480,000	690,000	900,000	1,300,000	560,000	312,000	61,000	86,000	118,000	46,000

Components may not agree with totals due to rounding.
r Revised p Preliminary

DOLLAR VOLUME

DOLLAR VOLUME OF EXISTING SINGLE-FAMILY HOME SALES
(Billions of Dollars)

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
1982		$160.2	$ 26.7	$29.7	$ 61.4	$41.8					
1983		225.9	42.1	44.6	84.4	53.4					
1984		246.6	48.4	48.1	90.1	59.6					
1985		291.9	67.8	57.2	103.9	63.1					
1986		351.1	90.5	70.4	116.9	74.6					
1987		374.8	100.6	72.4	123.5	79.9					
		Seasonally Adjusted Annual Rates					Not Seasonally Adjusted				
1987	Apr	$381.1	$ 98.9	$77.6	$124.7	$79.9	$35.2	$8.6	$7.8	$11.5	$6.7
	May	404.7	108.6	76.8	135.2	84.1	37.2	9.9	7.3	12.4	7.6
	Jun	387.8	105.8	69.2	125.1	87.7	38.6	10.9	7.3	11.8	9.3
	Jul	386.4	109.1	67.9	123.3	86.1	36.6	11.0	6.6	11.7	7.7
	Aug	368.5	99.9	65.3	123.1	80.2	33.9	10.1	6.2	10.8	7.3
	Sep	368.8	98.7	68.1	123.8	78.2	31.6	9.3	5.7	10.1	7.1
	Oct	373.6	100.1	67.1	124.0	82.4	31.9	9.7	5.4	10.4	7.4
	Nov	360.3	96.2	66.3	121.4	76.4	25.9	6.3	4.1	9.8	5.4
	Dec	358.3	95.0	67.0	118.3	78.0	23.5	5.8	4.3	8.1	5.5
1988	Jan	$344.8	$ 89.7	$72.5	$108.0	$72.7	$20.8	$5.4	$3.7	$ 7.2	$4.2
	Feb	361.1	97.9	68.6	122.4	72.2	24.0	5.9	5.1	8.3	4.7
	Mar[r]	368.1	97.9	67.5	125.3	79.3	33.5	8.0	6.6	11.4	7.2
	Apr[p]	379.4	107.2	68.7	128.1	74.9	34.1	9.4	6.6	11.7	6.2

Components may not agree with totals due to rounding.
r Revised p Preliminary

SALES PRICE

SALES PRICE OF EXISTING SINGLE-FAMILY HOMES
(Not Seasonally Adjusted)

Year		United States	North-east	Midwest	South	West	United States	North-east	Midwest	South	West
				Median					Average (Mean)		
1982		$67,800	$ 63,500	$55,100	$67,100	$ 98,900	$ 80,500	$ 75,400	$60,700	$ 78,700	$114,200
1983		70,300	72,200	56,600	69,200	94,900	83,100	85,400	62,900	81,500	111,000
1984		72,400	78,700	57,100	71,300	95,800	86,000	94,800	63,700	84,000	112,700
1985		75,500	88,900	58,900	75,200	95,400	90,800	108,900	66,100	88,700	113,900
1986		80,300	104,800	63,500	78,200	100,900	98,500	128,700	71,100	92,700	122,200
1987		85,600	133,300	66,000	80,400	113,200	106,300	146,900	75,500	96,300	133,200
1987	Apr	$86,000	$131,100	$67,000	$82,300	$110,400	$106,200	$145,400	$75,600	$97,800	$131,100
	May	86,000	134,000	66,500	81,800	110,700	107,500	148,400	76,800	98,200	132,800
	Jun	85,900	138,100	65,800	80,600	114,700	107,100	151,800	74,800	96,200	134,300
	Jul	88,300	145,800	66,000	81,000	118,500	109,800	158,700	75,500	98,300	137,700
	Aug	86,500	135,700	66,500	80,800	115,100	107,000	148,600	76,400	95,600	135,100
	Sep	85,500	133,000	66,100	79,500	116,100	106,900	146,900	76,500	96,300	134,700
	Oct	84,600	135,300	63,800	80,200	116,400	106,100	148,800	73,500	96,600	136,400
	Nov	85,000	134,500	64,400	79,200	115,400	106,600	146,700	74,800	96,200	135,800
	Dec	85,400	134,300	65,000	78,700	117,800	107,100	147,600	75,900	95,500	137,000
1988	Jan	$87,400	$131,500	$67,800	$80,,700	$117,900	$108,700	$145,800	$78,800	$ 98,700	$137,100
	Feb	88,100	135,600	67,300	84,800	118,600	110,400	147,700	77,200	103,000	138,500
	Mar[r]	87,900	137,800	67,200	83,300	119,200	110,700	150,200	76,900	101,900	140,200
	Apr[p]	87,700	145,100	67,500	82,100	113,700	109,100	155,600	76,400	98,800	134,500

r Revised p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES FOR THE UNITED STATES BY PRICE CLASS (Percentage Distribution)

Price Class	Apr 1984	Apr 1985	Apr 1986	Apr 1987[r]	Apr 1988[p]
$ 19,999 or under	2.0	1.8	1.5	1.4	1.7
$ 20,000-$ 29,999	3.4	3.2	2.3	2.3	2.4
$ 30,000-$ 39,999	6.9	6.3	5.1	4.8	4.9
$ 40,000-$ 49,999	10.4	9.6	8.4	7.5	7.5
$ 50,000-$ 59,999	12.2	11.8	10.6	9.2	8.6
$ 60,000-$ 69,999	12.3	12.2	11.5	10.1	10.0
$ 70,000-$ 79,999	10.9	10.6	10.6	9.6	8.5
$ 80,000-$ 89,999	8.6	9.1	9.0	8.6	8.2
$ 90,000-$ 99,999	6.2	6.2	6.9	6.6	6.6
$100,000-$119,999	8.5	8.5	9.3	9.3	9.1
$120,000-$159,999	10.3	10.9	12.4	13.7	13.8
$160,000-$199,999	3.9	4.6	5.6	7.1	7.7
$200,000-$249,999	2.1	2.3	3.3	4.4	4.6
$250,000 and over	2.3	2.9	3.5	5.5	6.4
Total	100.0	100.0	100.0	100.0	100.0
Median Price	$72,100	$74,800	$79,800	$86,000	$87,700

r Revised p Preliminary

SALES OF EXISTING SINGLE-FAMILY HOMES BY NUMBER OF BEDROOMS APRIL 1988[p] (Percentage Distribution)

Number of Bedrooms	United States	North-east	Midwest	South	West
2 Bedrooms or less	18.2	17.4	20.3	15.5	21.5
3 Bedrooms	53.8	45.9	56.4	56.4	51.3
4 Bedrooms or more	28.0	36.7	23.3	28.1	27.2
Total	100.0	100.0	100.0	100.0	100.0

p Preliminary